

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1670 - SB 1961

March 27, 2011

SUMMARY OF BILL: Requires the state apiarist to furnish an application for apiary registration and a registration certificate to all known beekeepers each year. Directs the method of bee colony inspections. Defines the response procedure for disease infected bees and equipment, which includes sterilization of the hive by the apiarist for a fee of \$2.30 per hive. Authorizes liability limits for beekeepers who sign a compliance agreement, which is kept on record at the Department of Agriculture.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$700/Recurring

**Increase State Expenditures - \$42,000/One-Time
\$33,200/Recurring**

Assumptions:

- According to the Department of Agriculture, 1,859 beekeepers are currently registered with the Department. The Department will mail a registration renewal application and a certificate of registration to each beekeeper annually. The postage cost is 33.5 cents per mailing. The result is a recurring increase in state expenditures of \$1,246 (1,859 beekeepers x \$.335 per mailing x 2 mailings).
- The Department will send a registered letter costing \$5.54 each to any unregistered person known to keep bees. The Department estimates the number of known unregistered beekeepers to be 10 percent of currently registered beekeepers. The result is a recurring increase in state expenditures of \$1,030 (1,859 registered beekeepers x 10% x \$5.54 per mailing).
- The Department estimates 50 percent of the 1,859 of the beekeepers will sign compliance agreements for a total of 930 (1,859 beekeepers x 50%) agreements. The Department assumes that 20 percent of inspections will require a follow-up inspection for an additional 186 (930 inspections x 20%) inspections, for a total of 1,116 (930 + 186) annual inspections.
- The Department currently contracts with local Beekeeper Associations to perform 142 annual inspections. The Department will amend the contracts to include a compliance agreement inspection at a rate of \$10 per inspection. The recurring increase in state expenditures will be \$1,420 (142 inspections x \$10).

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- The Department will contract with local Beekeeper Associations to conduct the remaining 974 (1,116 inspections – 142 currently contracted inspections) compliance agreement inspections at a cost of \$30 per inspection. The result is a recurring increase in state expenditures of \$29,220 (974 inspections x \$30).
- The Department will purchase a bee hive sterilization unit for a one-time increase in state expenditures of \$42,000. The Department estimates that 300 hives will be sterilized each year. Supplies will cost \$1 per hive, resulting in a recurring increase in state expenditures of \$300 (300 hives x \$1).
- The Department will charge a fee of \$2.30 per sterilized hive resulting in recurring increase in state revenue of \$690 (300 hives x \$2.30).
- The total recurring increase in state expenditures will be \$33,216 (\$1,246 + \$1,030 + \$1,420 + \$29,220 + \$300).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/sbh